



Assistant Secretary of the Army Financial Management and Comptroller

Joint Reconciliation Program Video Tele-conference



Phase III Triannual Review Ending
September 30, 2003
Nov 20, 2003

1530-1630



Agenda



- **Roll Call**
- **Opening Remarks**
- **Summary Program Update**
- **Interest Payments**
- **Army Personal Property**
- **Closing Remarks:**



Opening Remarks

**Principal Deputy Assistant Secretary
(Financial Management and
Comptroller)**



Program Update



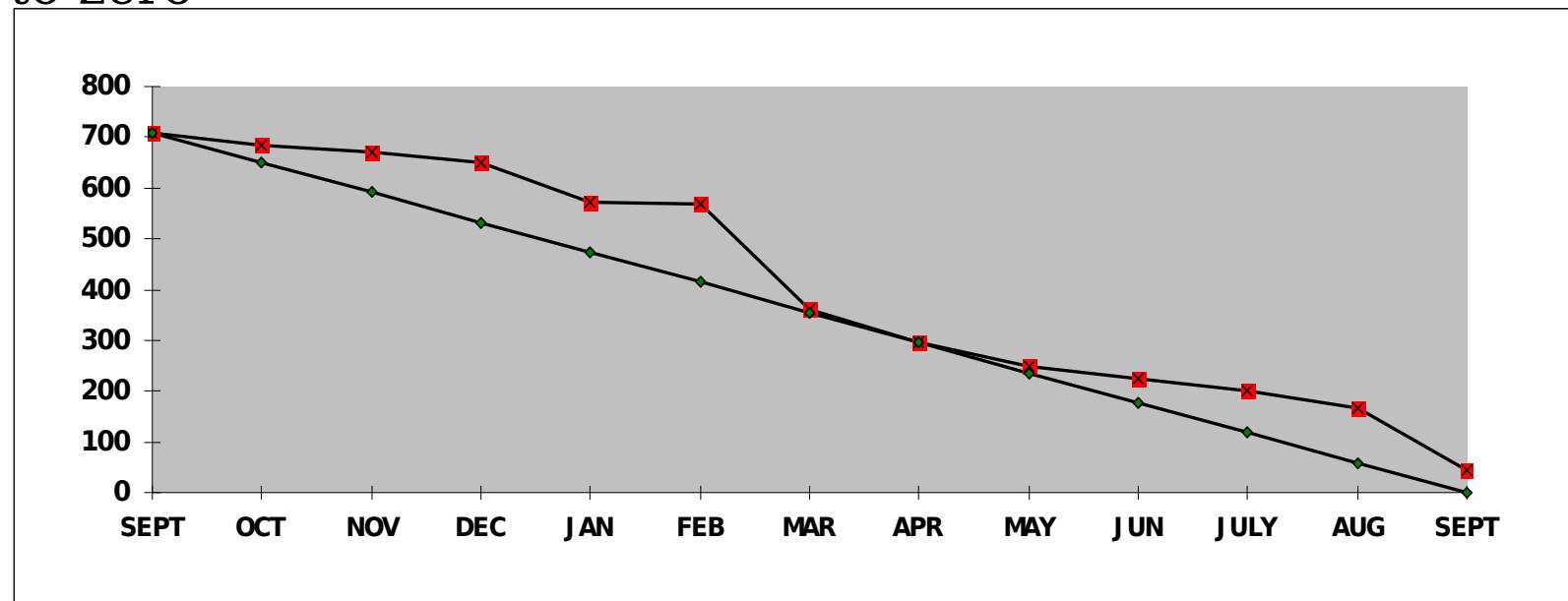
FY 03 Canceling Appropriations

Actual vs. Straight Line Line

By Sep 30, 2003:

- Reduce unliquidated obligations to zero

1 Oct 02 = \$709 M
30 Sep 03 = \$ 45 M



DATA SOURCE: DFAS REPORT

Reason for large canceling ULO in SOA and O&M

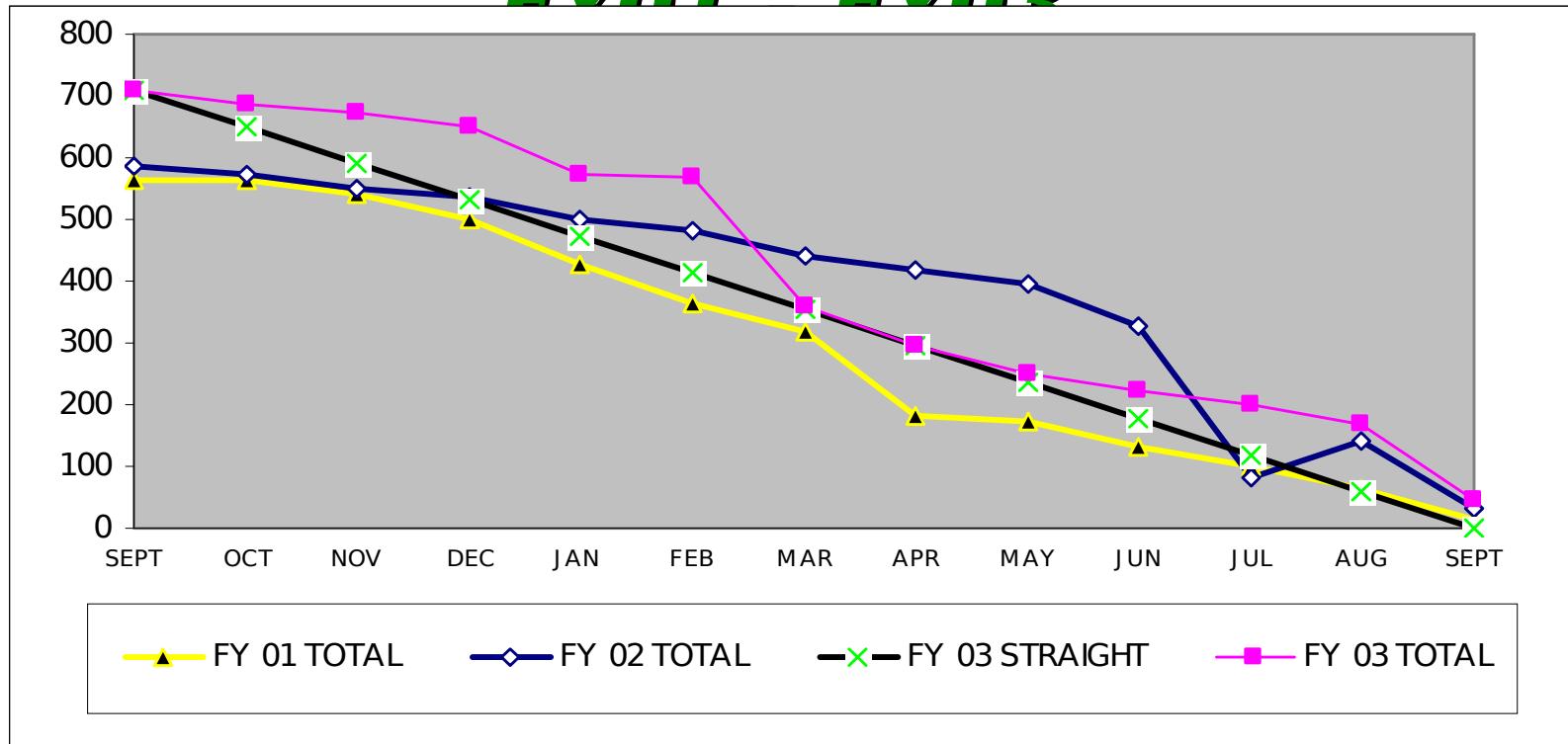
FY98 BS 2020 OA22 32M automatic unliquidated balance. Prior to 9/11, FSN 49448, Defense Telephone Service, was located in the Pentagon. All records were lost when the Pentagon was hit and according to DNO who subsequently became the accounting office, they inherited approximately \$32M in canceling obligations caused by STANFINS processing procedures during fiscal years 97, 98, 99, and 00. Because this FSN has only automatic funds and their disbursements and collections did not agree, it was impossible for them to close this year without either a credit accounts receivable or a debit unliquidated balance.

National Guard's ULO dropped from 21.2 in 02 to 7.4 million, 3.6m is in 2020, 3.6m is in 2065



Cancelling Appropriations

EVO 1 EVO 2



	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
FY 01 TOTAL	561.73	561.73	540.82	500.20	426.54	362.90	315.99	184.08	174.61	133.70	101.61	62.51	14.19
FY 02 TOTAL	586.65	572.40	550.69	537.79	499.39	481.39	439.42	417.81	394.68	326.15	80.11	140.58	30.00
FY 03 STRAIGHT	709.22	650.12	591.02	531.92	472.82	413.72	354.62	295.52	236.42	177.32	118.22	59.12	0.00
FY 03 TOTAL	709.22	684.95	670.49	650.40	570.60	567.52	359.96	297.71	248.07	223.76	200.65	167.90	45.00

DATA SOURCE: DFAS REPORT



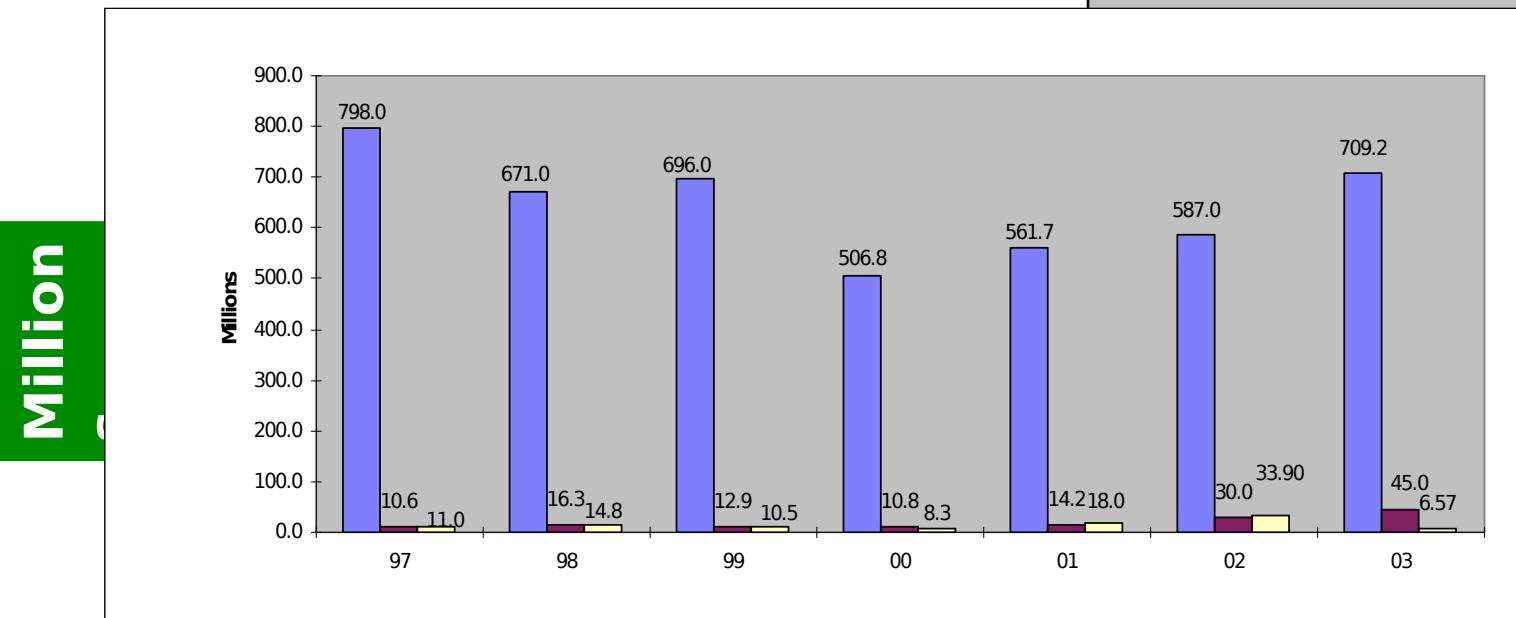
Army Payoff -Canceling Appropriations

Total Potential Liability FY97-FY02 \$
94.8M

Total Paid FY97- FY03
\$102.6M

Funded as of 30
Sep 03

AFH	\$ 60,000
MCA	40,381
PROC	

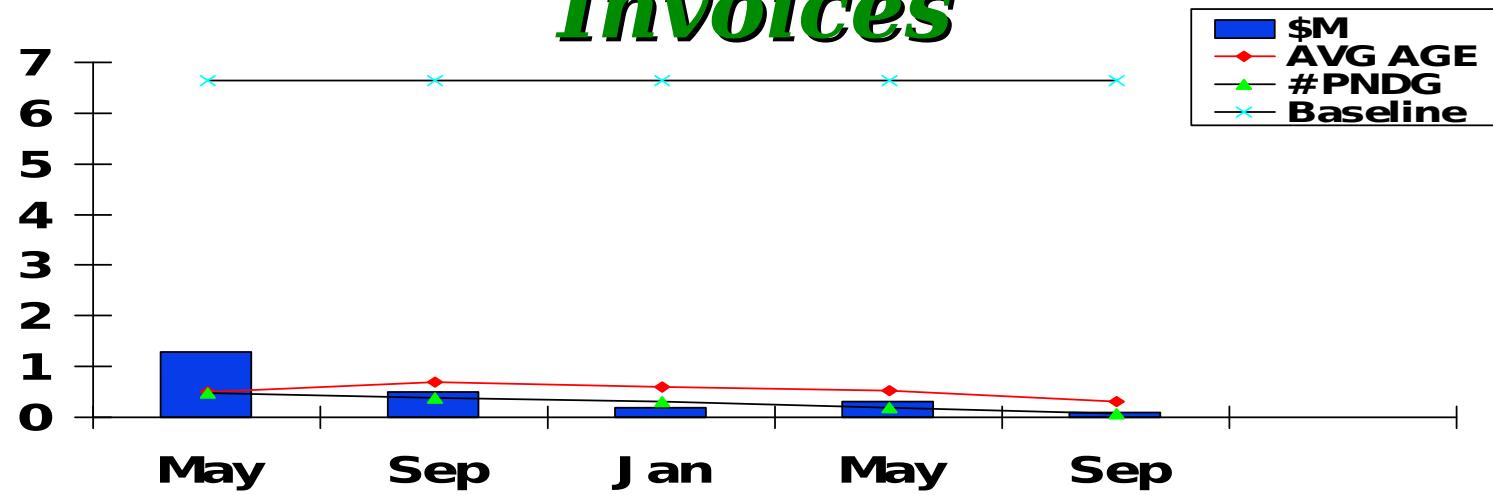


Canceling Balances Potential Liability Canceled Liability Funded

DATA SOURCE: DFAS, ARMY BUDGET



Backlog of Cancelled Account Invoices



	FY 02		FY 03		
	May	Sep	Jan	May	Sep
\$ M	1.3	0.5	0.2	0.3	0.11
#PNDG	47	38	32	18	8
AGE	53	68	62	52	32



Backlog of Cancelled Account Invoices

\$ (000)

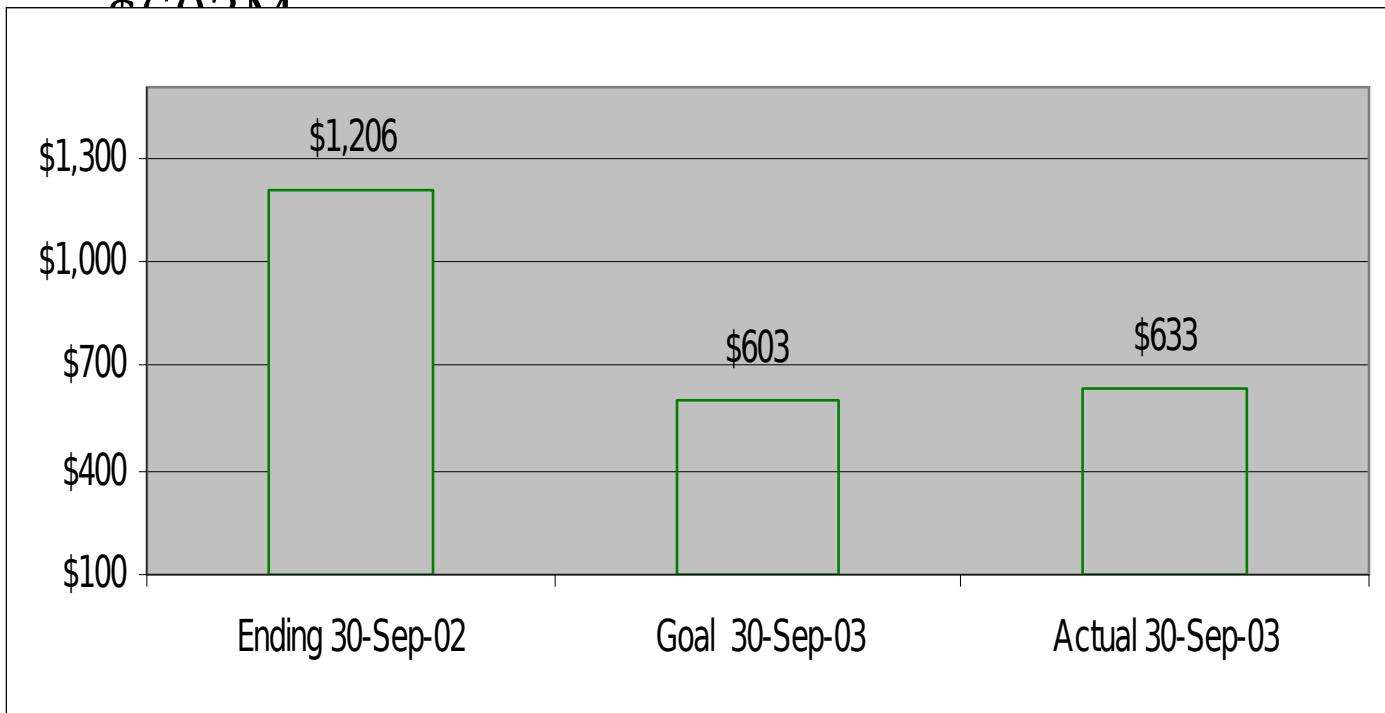
	<u>#of Lines</u>	<u>\$ Amount</u>	<u>Age</u>	<u>#of Lines</u>	<u>\$ Amount</u>
30 Sep 03					
			>180	0	-
			>120	1	6.6
AMC	2	9.3	NEW	7	100.7
PEOs	2	82.0	TOTAL	8	107.3
Other	4	16.0			
TOTAL	8	107.3	AMC >120	1	6.6
OMA	3	9.6	AMC	1	2.7
PROC	2	84.7	PEOs	2	82.0
RDTE	3	13.0	Other	4	16.0
TOTAL	8	107.3	NEW	7	100.7



Fourth Expired Year ***(millions)***

By Sep 30, 2003

- Reduce 4th expired year by 50%



DATA SOURCE: DFAS REPORT



Travel Advances Expired Years

By 30 Sep 2003:

- Reduce travel advance in expired years to zero

<u>1 Oct 02</u>	<u>30 Sep</u>
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%Decrease

Expired Travel Adv	\$ 215M	\$ 165k
99.9		



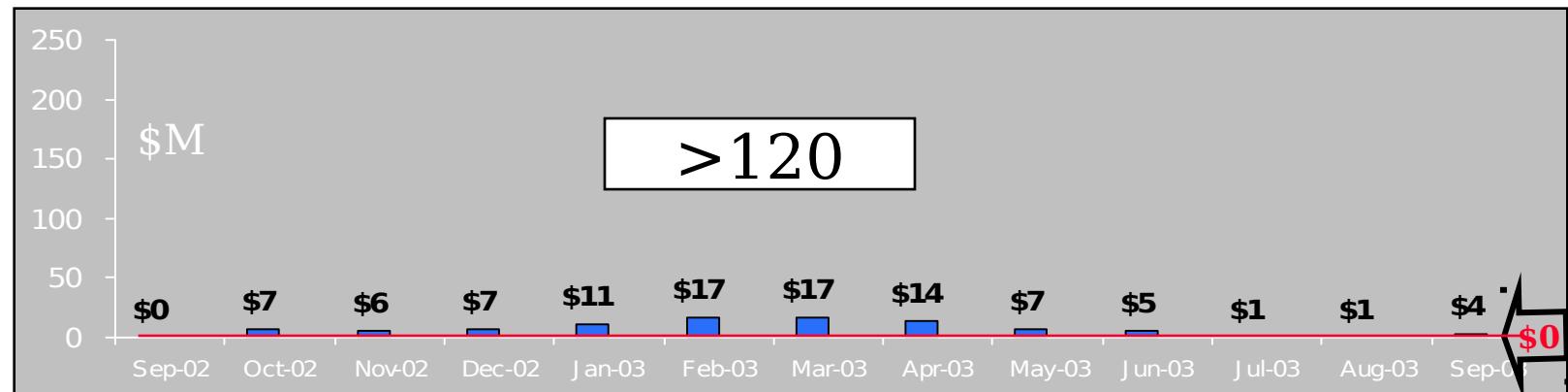
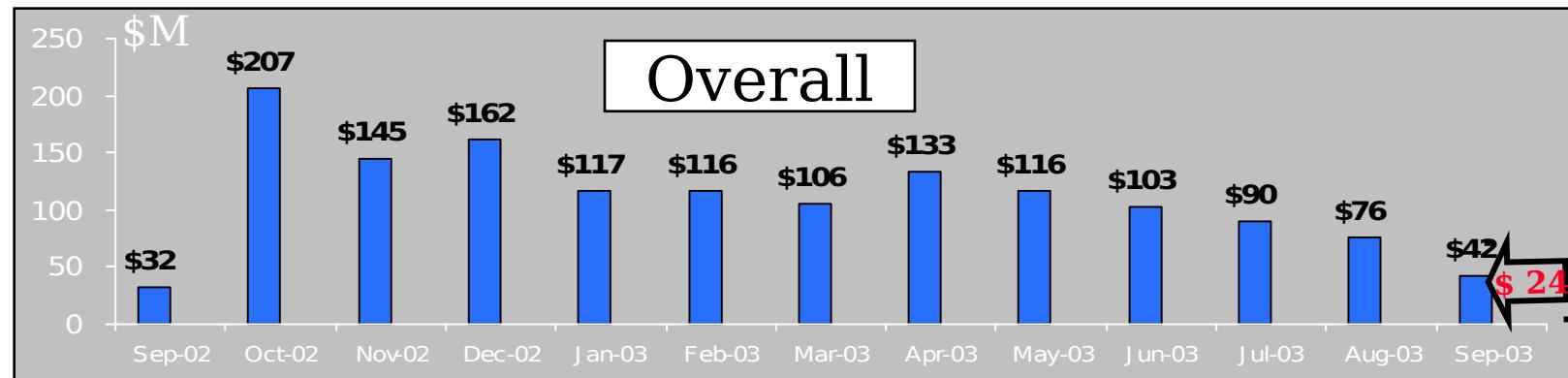
Problem Disbursements **(NULOs & UMDs)**



Negative Unliquidated Obligations

FY03 Goals by 30 Sep 2003:

- 25% reduction overall
- Reduce to zero (>120 days)
- Baseline of 30 Sep 2002



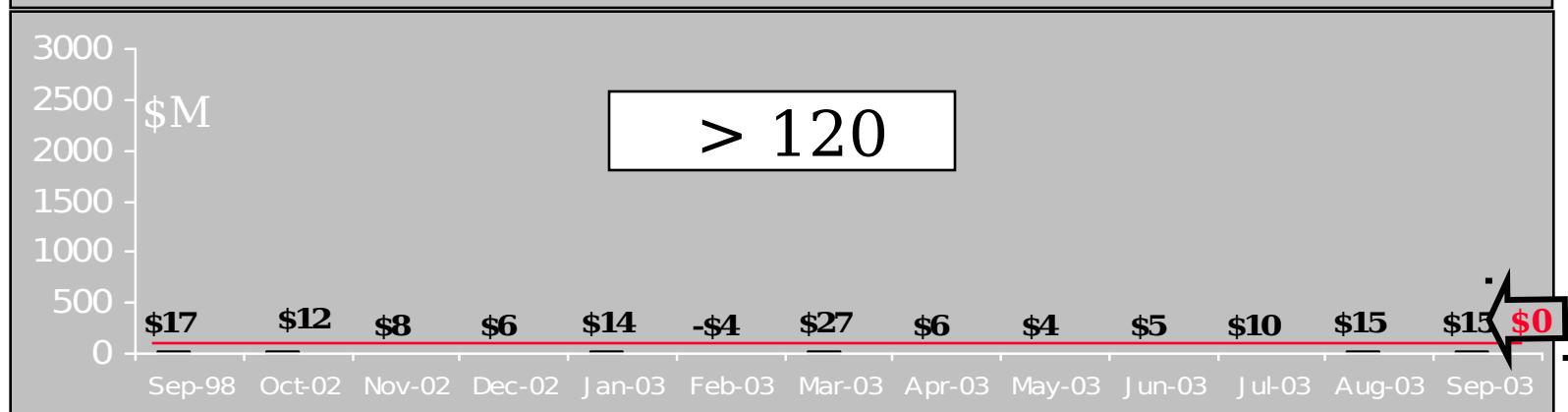
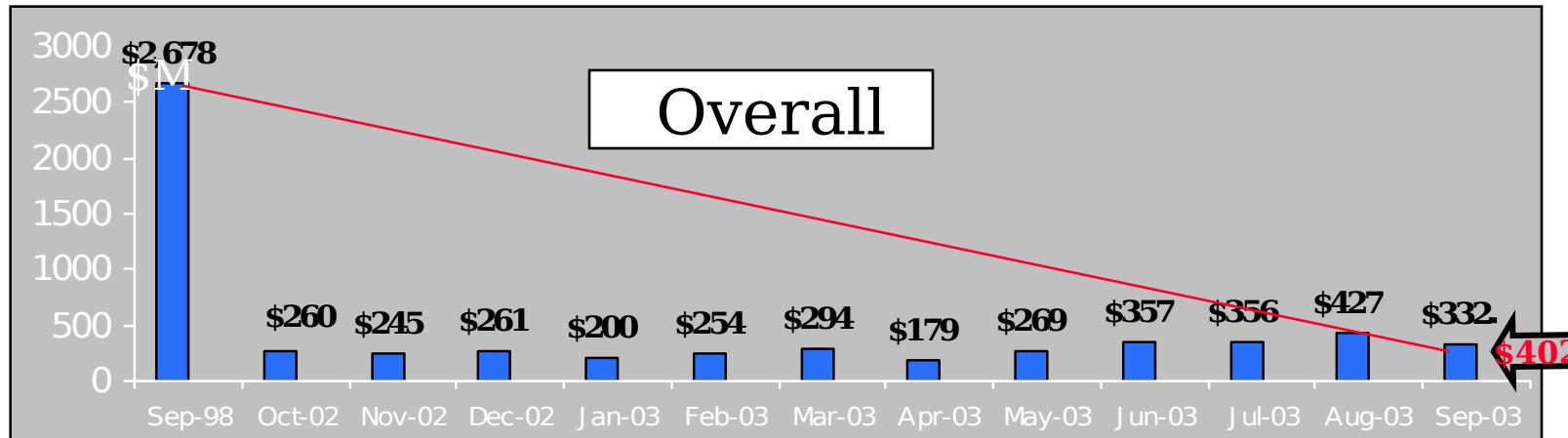
DATA SOURCE: DFAS



Unmatched Disbursements

FY03 Goals by 30 Sep 2003:

- 85% reduction overall
- Reduce to zero (>120 days)
- Baseline of 30 Sep 1998



DATA SOURCE: DFAS



JRP FY 04 Goals

(revised)

a. Using September 30, 2003 balances as the baseline:

By September 30, 2004:

- Reduce to zero unliquidated obligations in the canceling accounts**
- Reduce unliquidated obligations in the 4th expired year by 50 percent**
- Reduce to zero travel advances in the expired years**

**b. By September 30, 2004, reduce to zero all problem disbursements (UMDs and NULOs)
and intransits over 120 days.**

c. Using September 30, 2003 balances as the baseline:

- By September 30, 2004, reduce total Unmatched Disbursements (UMDs) by 10 percent.**
- By September 30, 2004, reduce total Negative Unliquidated Obligations (NULOs) by 25 percent.**

Note: If you have a zero balance as of 30 September 2003, additional guidance will be provided to measure performance.

d. Interest Penalty Goal - OSD reviewing

e. Using September 30, 2003 Accounts Receivable as the baseline:

- By September 30, 2004, reduce total delinquent accounts receivable**



Initiatives



- **MPA Transition to Specific Allotment**
(703) 692-3898, (703) 693-2805
- **ASK-FM Implementation**
(703) 693-2818
- **Automated Fund Control Program (AFCP)**
(703) 693-2787
- **NGB Transition to STANFINS**
- **General Fund Finance and Accounting Pilot**

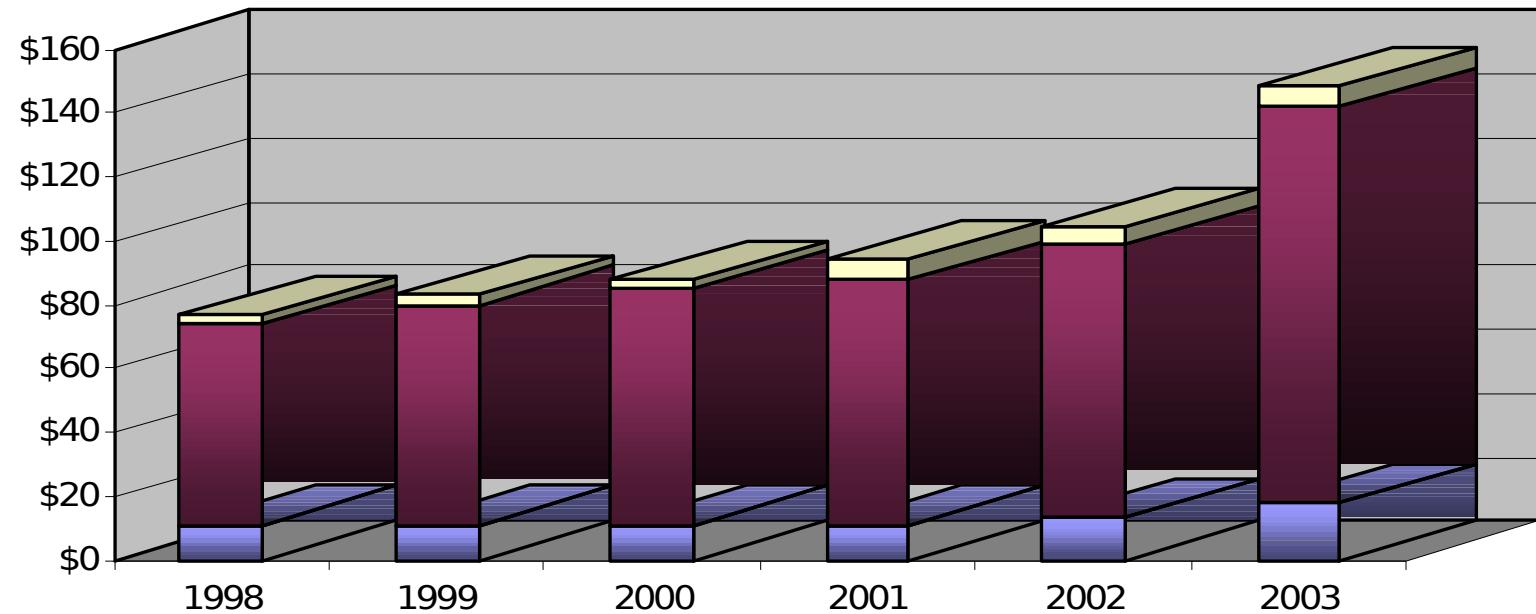


Special Interest Items



ARMY SOURCES OF FUNDING BY CATEGORY

BILLIONS)
30 September 2003



	1998	1999	2000	2001	2002	2003
ORDERS	\$11	\$11	\$11	\$11	\$13	\$18
DIRECT	\$63	\$69	\$74	\$77	\$86	\$124
PY UNOBLIG	\$3	\$3	\$3	\$6	\$6	\$6
TOTAL	\$77	\$83	\$88	\$94	\$105	\$148



OBLIGATION & LIQUIDATION PERCENTAGES FOR FY 03 ACCOUNTS (IN MILLIONS)

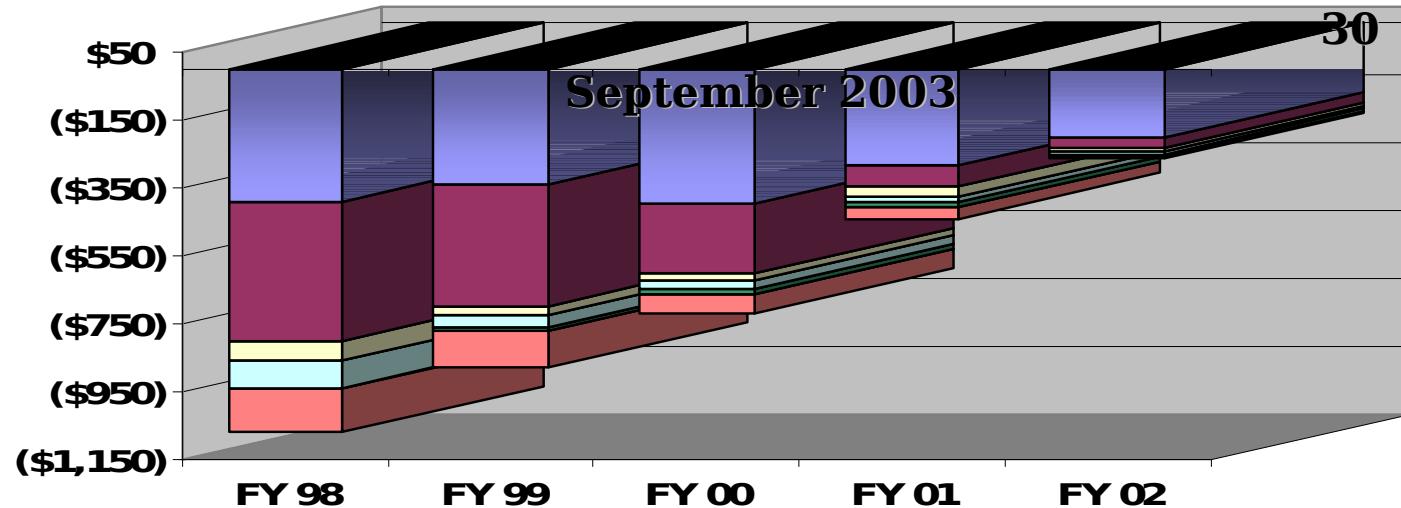
30 September 2003

TYPE	FUNDING	OBLIGATIONS	DISBURSEMENTS	% OBL	% ULO
CONST	5,640.0	4,301.1	915.4	76.3%	78.7%
MILPERS	44,919.2	44,833.2	41,679.3	99.8%	7.0%
O&M	63,490.1	63,476.0	38,831.3	100.0%	38.8%
PROC	15,342.2	12,333.7	3,127.9	80.4%	74.6%
RDTE	10,859.8	9,607.5	5,526.4	88.5%	42.5%
TI 97	11,607.6	10,364.7	6,175.4	89.3%	40.4%



CUMULATIVE NET OBLIGATIONS

SINCE EXPIRATION
(MILLIONS)



EXPIRED	FY 98	FY 99	FY 00	FY 01	FY 02
O&M	-\$388	-\$341	-\$396	-\$285	-\$202
MILPERS	-\$410	-\$354	-\$206	-\$59	-\$32
RDTE	-\$59	-\$29	-\$21	-\$30	-\$8
PROC	-\$80	-\$35	-\$24	-\$18	-\$10
CONST	-\$3	-\$11	-\$15	-\$14	-\$7
DEPT 97	-\$128	-\$106	-\$57	-\$34	-\$5
TOTAL	-\$1,067	-\$877	-\$718	-\$441	-\$264



***DFAS
Prompt Pay Interest
Reduction***



Integrity of Army Personal Property



Joint Reconciliation Program

- 703-693-2805, DSN 223-2805
- ***Website:***
[***http://www.asafm.army.mil/fo/fod/jrp/jrp.asp***](http://www.asafm.army.mil/fo/fod/jrp/jrp.asp)
- ***Centralized mailbox:***
[***JointReconProgram@hqda.army.mil***](mailto:JointReconProgram@hqda.army.mil)
- ***Next VTC: Tentatively Scheduled, May 11, 2004***



***FY 04 Phase I Reporting,
1500-1630***



Closing Remarks